

Landlord Name:	Oak Tree Housing Association Ltd
RSL Reg No.:	137
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Approval

A1.1	Date approved	22/05/2023
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Finance Director
A1.9	General Comment	

STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	9,126.2	9,707.6	10,575.4	11,209.9	11,826.5	12,299.6
Service charges	141.8	164.9	177.0	184.1	190.6	194.4
Gross rents & service charges	9,268.0	9,872.5	10,752.4	11,394.0	12,017.1	12,494.0
Rent loss from voids	195.5	276.2	298.2	316.0	333.3	346.5
Net rent & service charges	9,072.5	9,596.3	10,454.2	11,078.0	11,683.8	12,147.5
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	2,404.4	2,370.8	2,217.7	2,217.7	2,217.7	2,217.7
Grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	455.0	450.5	454.3	465.2	475.2	481.1
TURNOVER	11,931.9	12,417.6	13,126.2	13,760.9	14,376.7	14,846.3
Less:						
Housing depreciation	3,710.6	3,786.7	3,730.0	3,624.5	3,552.2	3,517.0
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	3,112.3	3,035.7	3,203.0	3,382.0	3,549.3	3,648.7
Service costs	207.4	318.5	337.6	351.1	363.4	370.7
Planned maintenance - direct costs	1,424.8	863.8	930.3	842.5	910.6	970.5
Re-active & voids maintenance - direct costs	1,443.2	2,043.0	2,327.0	2,545.3	2,761.6	2,954.9
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	69.5	74.0	80.6	85.5	90.1	93.7
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	574.6	488.4	486.6	500.3	513.2	522.0
Other costs	0.0	0.0	0.0	0.0	0.0	0.0
	6,831.8	6,823.4	7,365.1	7,706.7	8,188.2	8,560.5
Operating Costs	10,542.4	10,610.1	11,095.1	11,331.2	11,740.4	12,077.5
Gain/(Loss) on disposal of PPE	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	1,389.5	1,807.5	2,031.1	2,429.7	2,636.3	2,768.8
Interest receivable and other income	7.4	36.9	58.6	79.2	81.6	82.6
Interest payable and similar charges	319.5	780.6	1,049.1	999.2	904.3	912.2
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	1,077.4	1,063.8	1,040.6	1,509.7	1,813.6	1,939.2
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	1,077.4	1,063.8	1,040.6	1,509.7	1,813.6	1,939.2
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,077.4	1,063.8	1,040.6	1,509.7	1,813.6	1,939.2

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	165,290.8	165,194.9	167,044.4	167,716.0	170,155.3	171,985.2
Less:						
Housing Depreciation	57,303.2	60,877.3	64,607.3	68,231.8	71,784.0	75,301.0
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	107,987.6	104,317.6	102,437.1	99,484.2	98,371.3	96,684.2
Non-Current Investments	2,183.6	2,061.0	1,984.6	2,440.9	2,317.5	2,186.1
Other Non Current Assets	102.5	92.5	92.5	92.5	92.5	92.5
TOTAL NON-CURRENT ASSETS	110,273.7	106,471.1	104,514.2	102,017.6	100,781.3	98,962.8
Current Assets						
Net rental receivables	161.4	195.4	211.2	223.2	234.2	242.4
Other receivables, stock & WIP	293.1	219.5	233.8	244.5	254.4	260.9
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	3,023.3	7,922.6	7,602.6	8,237.9	8,021.2	8,431.4
TOTAL CURRENT ASSETS	3,477.8	8,337.5	8,047.6	8,705.6	8,509.8	8,934.7
Payables : Amounts falling due within One Year						
Loans due within one year	1,180.1	1,212.5	1,104.4	1,165.4	1,408.7	1,468.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	1,772.3	1,681.6	1,792.1	1,874.1	1,950.4	2,000.7
TOTAL CURRENT LIABILITIES	2,952.4	2,894.1	2,896.5	3,039.5	3,359.1	3,468.7
NET CURRENT ASSETS/(LIABILITIES)	525.4	5,443.4	5,151.1	5,666.1	5,150.7	5,466.0
TOTAL ASSETS LESS CURRENT LIABILITIES	110,799.1	111,914.5	109,665.3	107,683.7	105,932.0	104,428.8
Payables : Amounts falling due After One Year						
Loans due after one year	18,346.7	21,925.1	20,853.1	19,579.6	18,231.9	17,007.2
Other long-term payables	1,403.0	52.0	52.0	52.0	52.0	52.0
Grants to be released	59,731.2	57,442.3	55,224.7	53,007.0	50,789.3	48,571.7
TOTAL LONG TERM LIABILITIES	79,480.9	79,419.4	76,129.8	72,638.6	69,073.2	65,630.9
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	31,318.2	32,495.1	33,535.5	35,045.1	36,858.8	38,797.9
Capital & Reserves						
Share capital	0.2	0.2	0.2	0.2	0.2	0.2
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	31,318.0	32,494.9	33,535.3	35,044.9	36,858.6	38,797.7
TOTAL CAPITAL & RESERVES	31,318.2	32,495.1	33,535.5	35,045.1	36,858.8	38,797.9
Intra Group Receivables - as included above	0.0	0.0	0.0	0.0	0.0	0.0
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0

STATEMENT OF CASHFLOWS						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	1,389.5	1,807.5	2,031.1	2,429.7	2,636.3	2,768.8
Depreciation & Amortisation	3,820.6	3,865.1	3,817.8	3,746.7	3,706.4	3,669.3
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	(87.7)	9.5	110.5	81.9	76.4	50.3
(Increase) / Decrease in Receivables	(66.2)	(5.6)	(30.2)	(22.6)	(21.0)	(14.7)
(Increase) / Decrease in Stock & WIP	0.0	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(2,404.4)	(2,370.8)	(2,217.7)	(2,217.7)	(2,217.7)	(2,217.7)
NET CASH FROM OPERATING ACTIVITIES	2,651.8	3,305.7	3,711.5	4,018.0	4,180.4	4,256.0
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	7.4	36.9	58.6	79.2	81.6	82.6
Interest (Paid)	(319.5)	(780.6)	(1,049.1)	(999.2)	(904.3)	(912.2)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(312.1)	(743.7)	(990.5)	(920.0)	(822.7)	(829.6)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(5,748.8)	(2,276.0)	0.0	0.0	0.0	0.0
Improvement of Housing	(1,237.7)	(2,317.5)	(1,849.5)	(671.6)	(2,439.3)	(1,829.9)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(79.6)	(74.7)	(11.4)	(578.4)	(30.7)	(20.9)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	0.0	113.8	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(7,066.1)	(4,554.4)	(1,860.9)	(1,250.0)	(2,470.0)	(1,850.8)
NET CASH BEFORE FINANCING	(4,726.4)	(1,992.4)	860.1	1,848.0	887.7	1,575.6
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	5,000.0	4,700.0	0.0	0.0	0.0	11,200.0
Debt repayment	(1,192.5)	(1,114.4)	(1,180.1)	(1,212.7)	(1,104.4)	(12,365.4)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	3,807.5	3,585.6	(1,180.1)	(1,212.7)	(1,104.4)	(1,165.4)
INCREASE / (DECREASE) IN NET CASH	(918.9)	1,593.2	(320.0)	635.3	(216.7)	410.2
Cash Balance						
Balance Brought Forward	7,248.3	6,329.4	7,922.6	7,602.6	8,237.9	8,021.2
Increase / (Decrease) in Net Cash	(918.9)	1,593.2	(320.0)	635.3	(216.7)	410.2
CLOSING BALANCE	6,329.4	7,922.6	7,602.6	8,237.9	8,021.2	8,431.4

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	71	15	0	0	0	0
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Total number of new affordable housing units added during year	71	15	0	0	0	0
Units developed for sale:						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	Yes					
Number of units lost during year from:						
Sales including right to buy	4	0	0	0	0	0
Demolition	65	0	0	0	0	0
Other	0	0	0	0	0	0
Units owned:						
Social Rent Properties	1,873	1,888	1,888	1,888	1,888	1,888
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	89	89	89	89	89	89
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,962	1,977	1,977	1,977	1,977	1,977
Number of units managed at end of period (exclude factored units)	0	0	0	0	0	0
Financed by:						
Scottish Housing Grants	0.0	0.0	0.0	0.0	0.0	0.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	11,497.6	113.8	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	11,497.6	113.8	0.0	0.0	0.0	0.0
Assumptions:						
General Inflation (%)	4.4	12.0	8.0	6.0	5.5	4.0
Rent increase - Margin above/below General Inflation (%)	(1.4)	(6.0)	0.0	0.0	0.0	0.0
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint. cost increase - Margin above/below General Inflation (%)	10.0	5.0	3.0	3.0	3.0	0.0
Actual / Assumed average salary increase (%)	4.1	5.2	5.0	5.0	4.5	3.5
Average cost of borrowing (%)	2.1	4.0	4.5	4.6	4.4	4.6
Employers Contributions for pensions (%)	12.5	12.5	12.5	12.5	12.5	12.5
Employers Contributions for pensions (£'000)	306.7	200.5	210.6	221.1	231.0	239.1
SHAPS Pensions deficit contributions (£'000)	325.9	0.0	0.0	0.0	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	1,070.0	88.0	604.0	2,153.0	627.0	1,326.0
Minimum headroom cover on tightest gearing covenant (£'000)	58,418.5	59,459.8	61,564.7	63,113.0	65,437.0	67,517.4
Minimum headroom cover on tightest asset cover covenant (£'000)	1,270.0	1,270.0	1,270.0	1,270.0	1,270.0	1,291.8
Total staff costs (including NI & pension costs)	2,269.5	1,925.1	2,021.4	2,122.5	2,218.0	2,295.6
Full time equivalent staff	34.5	35.9	35.9	35.9	35.9	35.9

EESH Revenue Expenditure included above	0.0	0.0	0.0	0.0	0.0	0.0
EESH Capital Expenditure included above	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expenditure on maint. pre-1919 properties	2,388.5	1,373.6	856.8	891.1	965.9	1,032.5
Total capital & revenue expenditure on maint. all other properties	6,228.3	3,809.2	2,400.5	2,496.7	2,706.3	2,892.9

Estimated decarbonisation cost indicator	No
Estimated decarbonisation cost	-

TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Financial capacity									
Interest cover	(2,209.823%)	1,256.224%	832.300%	428.209%	359.365%	410.048%	471.304%	475.619%	532.318%
Gearing	20.908%	33.348%	52.696%	46.822%	42.805%	35.689%	31.524%	25.887%	47.961%
Efficiency									
Voids	1.378%	1.799%	2.109%	2.798%	2.773%	2.773%	2.774%	2.773%	0.854%
Arrears	1.242%	1.550%	1.779%	2.036%	2.020%	2.015%	2.004%	1.995%	1.900%
Bad debts	0.153%	0.675%	0.766%	0.771%	0.771%	0.772%	0.771%	0.771%	0.391%
Staff costs / turnover	16.461%	16.665%	19.020%	15.503%	15.400%	15.424%	15.428%	15.462%	21.039%
Turnover per unit	£6,059	£5,929	£6,081	£6,281	£6,639	£6,960	£7,272	£7,510	£5,458
Responsive repairs to planned maintenance	1.5	0.8	1.8	1.6	1.2	0.6	1.2	0.9	1.8
Liquidity									
Current ratio	1.6	0.9	1.2	2.9	2.8	2.9	2.5	2.6	2.1
Profitability									
Gross surplus / (deficit)	21.947%	17.479%	11.645%	14.556%	15.474%	17.657%	18.337%	18.650%	18.479%
Net surplus / (deficit)	20.188%	14.922%	9.030%	8.567%	7.928%	10.971%	12.615%	13.062%	12.665%
EBITDA / revenue	49.466%	47.640%	32.370%	26.388%	29.800%	39.115%	26.078%	30.014%	29.312%
Financing									
Debt Burden	1.4	1.4	1.6	1.9	1.7	1.5	1.4	1.2	1.9
Net debt per unit	£3,261	£5,538	£8,412	£7,696	£7,261	£6,326	£5,877	£5,080	£7,102
Debt per unit	£8,332	£8,275	£9,952	£11,703	£11,106	£10,493	£9,935	£9,345	£10,687
Diversification									
Income from non-rental activities	25.731%	26.226%	23.964%	22.720%	20.356%	19.497%	18.731%	18.178%	17.598%
INDICATORS									
Turnover	11,098.1	11,264.6	11,931.9	12,417.6	13,126.2	13,760.9	14,376.7	14,846.3	
Operating costs	5,341.5	5,538.0	6,831.8	6,823.4	7,365.1	7,706.7	8,188.2	8,560.5	
Net housing assets	98,395.1	104,074.7	107,987.6	104,317.6	102,437.1	99,484.2	98,371.3	96,684.2	
Cash & current investments	9,370.5	5,204.3	3,023.3	7,922.6	7,602.6	8,237.9	8,021.2	8,431.4	
Debt	15,397.3	15,731.7	19,526.8	23,137.6	21,957.5	20,745.0	19,640.6	18,475.2	
Net assets / capital & reserves	28,825.7	31,568.5	31,318.2	32,495.1	33,535.5	35,045.1	36,858.8	38,797.9	

Comments

Page	Field	Comment
SOCI	Gross rents	The FYFP models rents increasing by RPI. With RPI modelled at 8% for year 2, 6% for year 3 and 5.5% for year 4.
SOCI	Interest payable and similar charges	Increasing as variable loan becomes fully drawn down and fixed rates on current fixed rate loans end between March 2024 and March 2025.
SOFP	Housing depreciation	2022/23 figures are estimated and do not match to the opening balances for 2023/24
SOFP	Other Non Current Assets	Impairment on investment properties during 2022/23
SOFP	Other long-term payables	Pension Liability at 31/03/2022 from year 1 onwards
SOCF	Construction or acquisition of Housing properties	1 Development site in 2022/23 now handed over, project was run by Link Housing who claimed the HAG on our behalf. This will be accounted for in our 2022/23 annual accounts once the figure has been confirmed by the Scottish Government. One development site in 2023/24 delayed due to contractor going into liquidation. Retendering of the contract is taking place just now.
SOCF	Balance Brought Forward	Cash at 22/23 is from our budget and opening for 23/24 is from our 30 year financial plan
SOCF	Increase / (Decrease) in Net Cash	Cash increases in 2023/24 as the balance of our RBS loan is drawn down
Additional Information	'Total cost of new units' / 'Total number of new affordable housing units added during year'	71 units for development site completed during 2022/23 and 15 units for development site due to finalise in 2023/24.
Additional Information	Other public subsidy	We have exhausted the HAG for the development due to restart in 2023/24 so there is no estimated HAG due for this.
Additional Information	Private finance	The spend estimated for 23/24 to complete the development is covered by our loan funding
Additional Information	Employers Contributions for pensions (%)	Includes ER pension of 12% and life insurance element of 0.45%

Page	Field	Comment
Additional Information	SHAPS Pensions deficit contributions (£'000)	No payments included in current 5 year plan, ended 30/09/2022
Additional Information	Minimum headroom cover on tightest interest cover covenant (£'000)	The interest cover covenant is being monitored closely with OTHA and the lenders to ensure there is no breach.
Additional Information	Minimum headroom cover on tightest asset cover covenant (£'000)	Loan is a bullet loan currently interest only. Once the loan is refinanced in March 2028 we will start to make capital and interest payments
Additional Information	Full time Equivalent Staff Curr Year	Staffing restructure implemented from 2023/24 onwards. 35.9 FTE equivalent permanent staff.